

July 5, 2007

Senator Kevin VanTassell
Representative Stephen D. Clark
(co-chairs of Business and Labor Interim Committee)
Utah State Capitol Complex
Salt Lake City, Utah 84114

Dear chairmen,

As part of our annual report of title investigations to the Business and Labor Interim Committee, your staff asked that the Insurance Department provide additional information about the title insurance industry in Utah and about the Title and Escrow Commission.

The title insurance premium as reported in the 2004 Utah Insurance Department's Annual Report to the Governor was \$9,875,188. This represents one percent of the total insurance premium written in Utah in 2004. This premium number does not reflect the millions of dollars processed through real estate escrow transactions done by title agencies. The following numbers show the approximate current statistical setting of the title insurance industry in Utah:

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|-------------------------------|-------|
| • Licensed title insurers | 25 |
| • Licensed title agencies | 196 |
| • Title agency branch offices | 350 |
| • Licensed title producers | 2,087 |

The Title and Escrow Commission began operation in July 2005. Four of the five members represent the title insurance industry and the fifth member represents the general public. Each member is from a different county in the state. The Commission meets monthly on the second Monday of the month. The Insurance Department investigates all consumer complaints and alleged violations of statute or rule and provides staff support to the Commission in the following areas:

- record keeping
- legal counsel
- rule drafting, processing, and hearing
- administrative hearings and recommended penalties
- meeting locations
- processing of requests for per diem

The Utah legislature appropriates \$4,500 annually to support the efforts of the Commission.

During the past two years, the Commission has made significant progress. They have published four administrative rules, have one administrative rule in the rule-making process and have several more on their agenda for next year. The Commission has received many hours of public testimony during their monthly discussions of title and escrow issues. The opportunity to provide information by the public, the title industry, and the real estate industry has been greatly appreciated. The Commission has also been present at the annual meetings of the Utah Land Title Association as well as their monthly meetings thereby providing yet another forum to provide and receive information relating to issues in the title industry.

Two of the initial Commission members have recently completed their terms of service and the Governor has nominated two replacements to join the Commission at their July 2007 meeting. From this time forward Commission members will serve four-year terms.

Should you desire additional information or explanation, please direct your inquiries to Assistant Commissioner John E. 'Mickey' Braun, Jr. at jbrown@utah.gov or 801-538-3865.

Sincerely,

D. Kent Michie
Insurance Commissioner